

## Message Text

LIMITED OFFICIAL USE

PAGE 01 BONN 14949 131334Z  
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-01 AID-05 SS-15 STR-05  
ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00  
OMB-01 /087 W  
-----075206 131338Z /45

P R 131307Z SEP 77  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC PRIORITY 1357  
INFO AMEMBASSY BRUSSELS  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
AMEMBASSY LONDON  
AMEMBASSY LUXEMBOURG  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY THE HAGUE  
AMEMBASSY WARSAW  
AMEMBASSY PRAGUE  
AMEMBASSY BUDAPEST  
AMEMBASSY MOSCOW

LIMITED OFFICIAL USE BONN 14949

USEEC ALSO FOR EMBASSY

E.O. 11652: N/A  
TAGS: ETRD, EEC  
SUBJECT: STEEL TRADE

REF: STATE 213428

EMBOFF DISCUSSED QUESTIONS POSED BY REFTEL WITH  
OLLIG, CHIEF-IRON AND STEEL DIVISION, MINISTRY OF  
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PAGE 02 BONN 14949 131334Z

ECONOMICS. FOLLOWING ANSWERS PROVIDED:

1. FRG HAS NO EXISTING BILATERAL ARRANGEMENTS ON  
STEEL. MOST DISCUSSIONS ON IMPORTS AND EXPORTS OF  
STEEL HELD IN CONTEXT OF EC. FRG HAS OCCASIONAL DIS-  
CUSSIONS WITH CZECHOSLOVAKIA, HUNGARY, POLAND AND OTHER  
EASTERN EUROPEAN STATES WHEN PROBLEMS OF IMPORTS INTO

GERMANY ARISE; HOWEVER, THERE ARE NO REGULAR "BI-LATERALS" EITHER TALKS OR ARRANGEMENTS.

2. IMPLICATIONS OF DAVIGNON PLAN FOR WORLD TRADE IN STEEL ARE NOT SIGNIFICANT. DAVIGNON PLAN, WHICH IS A SOMEWHAT MODIFIED VERSION OF EARLIER SIMONET PLAN (ADDING MANDATORY MINIMUM PRICE FEATURE ON REBARS) HAS BEEN NO MORE EFFECTIVE IN AMELIORATING EUROPEAN STEEL CRISIS THAN WAS ITS PREDECESSOR. FIRST, NEITHER THE RECOMMENDED NOR THE MANDATORY PRICES HAVE BEEN EFFECTIVE AND DISCOUNTING IS WIDESPREAD; SECOND, SUGGESTED PRODUCTION LEVELS ARE LARGELY NOMINAL SINCE LACK OF DEMAND HAS KNOCKED PRODUCTION DOWN TO OVERALL 60-65 PERCENT OF CAPACITY ANYWAY; AND THIRD, DAVIGNON HAS NOT BEEN ABLE TO RAISE THE FUNDS PROPOSED TO MOVE TOWARD RATIONALIZATION AND RETRUCTURING NOR IS THE OUTLOOK FAVORABLE.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** STEEL, TRADE AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 13-Sep-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977BONN14949  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770331-0670  
**Format:** TEL  
**From:** BONN USEEC  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 80  
**Litigation Code IDs:**  
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**Litigation History:**  
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**Message ID:** 6d4e0548-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE 213428  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 09-Mar-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1300347  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** STEEL TRADE  
**TAGS:** ETRD, GE, EEC  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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